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PROJECT UPLIFT, INCORPORATED
SHREVEPORT, LOUISIANA

FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2003

BOBBY GRAY
CERTIFIED PUBLIC ACCOUNTANT

Post Office Box 1213 • 2072 Martin Luther King Jr. Avenue • Grambling, LA. 71245

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other concerned public officials. The report is available for public inspection at the State Budget Office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 3/19/03

PROJECT UPLIFT, INCORPORATED
Shreveport, Louisiana

Financial Statements
For the Year Ended September 30, 2002

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Bobby Gray

CERTIFIED PUBLIC ACCOUNTANT

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• Management Advisory Services

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American Institute of Certified Public Accountants • Society of Louisiana Certified Public Accountants

Independent Auditor's Report

Board of Directors
Project Uplift, Incorporated
Shreveport, Louisiana 71101

I have audited the accompanying statement of financial position of Project Uplift, Incorporated (a nonprofit organization) as of September 30, 2002, and the related statements of activities, cash flows and functional expenses for the year then ended. These financial statements are the responsibility of the organization's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards contained in the *Governmental Auditing Standards - Standards for Audit of Governmental Organizations, Programs, Activities and Functions*, issued by the United States General Accounting Office, and any other applicable State and/or Federal Regulations. These standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Project Uplift, Incorporated as of September 30, 2002, and the changes in net assets and its cash flows for the year then ended in conformity with generally accepted accounting principles.

My audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The supplemental information and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements, and, in my opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.


Bobby Gray
Certified Public Accountant
Gretna, Louisiana
February 14, 2003

FINANCIAL STATEMENTS

STATEMENT A

PROJECT UPLIFT, INCORPORATED
STATEMENT OF FINANCIAL POSITION
SEPTEMBER 30, 2022

Assets	
Cash and cash equivalents	\$26,736
	<hr/>
Total assets	<u>\$26,736</u>
Liabilities and Net Assets	
Liabilities	
Accounts payable	-
Due to the State	26,696
	<hr/>
Total liabilities	<u>26,696</u>
Net Assets	
Unrestricted net assets	1,039
	<hr/>
Total unrestricted net assets	<u>1,039</u>
Temporarily restricted net assets	
	<hr/>
Total net assets	<u>1,039</u>
Total liabilities and net assets	<u>\$26,736</u>

See accompanying notes to the financial statements.

STATEMENT B

PROJECT UPLIFT, INCORPORATED
STATEMENT OF ACTIVITIES
SEPTEMBER 30, 2002

	UNRESTRICTED
Unrestricted Net Assets	
Support - Grants	\$ -
Support - Other	
Total unrestricted support	0
Net assets released from restrictions	
Restrictions satisfied by payments	<u>0</u>
Total unrestricted support and reclassification	<u>0</u>
Expenses	
General and administrative expenses	-
Program expenses	<u>0</u>
Total expenses	-
Adjustment for unfunded liability/net	-
Change in unrestricted net assets	<u>-</u>
Temporarily Restricted Net Assets	
Grants	
Temporary Assistance for Needy Families	227,231
Net assets released from restrictions	
Restrictions satisfied by payments	<u>(181,573)</u>
Change in temporarily restricted net assets	<u>45,658</u>
Net assets at beginning of year	<u>1,076</u>
Net assets at end of year	<u>\$56,738</u>

See accompanying notes to the financial statements.

STATEMENT C

PROJECT UPLIFT, INCORPORATED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

Change in net assets	835,658
Adjustments to reconcile change in net assets	
Cash provided by operating activities:	
Decrease/(increase) in receivables	-
Increase/(decrease) in payables	-
Total adjustments	-
Net cash provided by operating activities	835,658
Cash and cash equivalents at beginning of year	1,878
Cash and cash equivalents at end of year	836,736

See accompanying notes to the financial statements.

STATEMENT D

PROJECT UPLIFT, INCORPORATED
STATEMENT OF FUNCTIONAL EXPENSES
TEMPORARY ASSISTANCE FOR NEEDY FAMILIES (TANF)
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	General and Administrative	Program Services	Total Expenses
Salaries and fringe benefits	\$5,040	\$137,768	\$142,808
Operating Services	-	8,180	8,180
Supplies	-	7,813	7,813
Professional Fees	3,900	21,278	25,178
Other expenses	314	7,257	7,571
Total Functional expenses	\$9,254	\$182,317	\$191,571

See accompanying notes to the financial statements.

PROJECT UPLIFT, INCORPORATED
SHREVEPORT, LOUISIANA
Notes to the Financial Statements

As of and for the Year Ended September 30, 2002

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. NATURE OF OPERATIONS

Project Uplift, Incorporated was organized as a non-profit corporation under the laws of the State of Louisiana. The organization is recognized as a non-profit organization under Section 501 (c)(3) of the Internal Revenue Code.

The organization's purpose was the formation of a center for the development of human potential and furthering the common good and general welfare of the people of the community and for bringing about civic betterment and social improvements. The corporation is non-profit and, as such, shall not engage in any activity not permitted under section 501 (c)(3) of the Internal Revenue Code, as amended, or by a corporation contributions to which deductible under section 170 (c)(2) of the Internal Revenue Code.

Project Uplift, Incorporated, "A Center for the Development of Human Potential", operates a Training Aid for Needy Families (TANF) Program that provides tutorial assistance to children from four elementary schools, one middle school, and high school students from various schools. It has also embraced a technology component, (Distance Learning) for at least 10 students in order to assist in closing the "Digital Divide" for at-risk students.

2. Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles. Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restriction. Accordingly, net assets of the organization and changes therein are classified and reported as follows:

Unrestricted net assets-Net assets which are not subject to donor-imposed restrictions.

Temporarily restricted net assets-Net assets subject to donor-imposed restrictions which may or will be met, either by action of the organization and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

PROJECT UPLIFT, INCORPORATED
SHREVEPORT, LOUISIANA
Notes to the Financial Statements

Permanently restricted net assets—Net assets subject to donor-imposed restrictions that they be maintained permanently by the organization. Generally, the donors of these assets permit the organization to use all or part of the income earned on any related investments for general or specific purposes.

3. Public Support and Revenue

Revenue and public support consists primarily of state grants. Grants and other contributions of cash and other assets are reported as permanently restricted or temporarily restricted if they are received with donor restrictions or restrictions designated by the governing board. Contributions are considered to be unrestricted unless restricted by the donor. All assets over which the Board of Directors exercise discretionary control have been included in the General Fund.

4. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the use of management's estimates. The organization had no such estimates for the period ending September 30, 2002.

5. Cash and Cash Equivalents

The organization considers all highly liquid investments with a maturity of twelve months or less when purchased to be cash equivalents. Cash and cash equivalents, for purposes of the Statement of Cash Flows, exclude permanently restricted cash and cash equivalents. Under state law, the agency may deposit funds in demand accounts, interest-bearing accounts, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana. The organization had no cash equivalents during the period under examination. As of September 30, 2002, Project Uplift, Incorporated had cash totaling \$ 28,736 as follows:

Unrestricted	\$ 1,878
Temporarily restricted	15,658
Permanently restricted	
Total cash	\$ 28,736

PROJECT UPLIFT, INCORPORATED
SHREVEPORT, LOUISIANA
Notes to the Financial Statements

4. Pension Plan

The organization does not have a retirement program for its employees and the employees are not members of the State of Louisiana Retirement System. All employees of the organization are members of the Social Security System.

7. Functional Allocation of Expenses

The costs of providing the various programs and activities have been summarized on a functional basis in the Statement of Activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

B. GENERAL FIXED ASSETS

Fixed assets used in the non-profit organization are accounted for in the General Fund and are stated at cost. Assets acquired by gift or bequest are recorded at their fair market value at the date of transfer, if applicable. At September 30, 2002, Project Uplift, Incorporated has no fixed assets.

Bobby Gray

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REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Directors
Project Uplift, Incorporated
Shreveport, Louisiana

I have audited the financial statements of Project Uplift, Incorporated (a non-profit organization) as of and for the year ended September 30, 2002, and have issued my report thereon dated December 30, 2002. I have conducted my audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether Project Uplift, Incorporated's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with these provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered Project Uplift, Incorporated's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on the internal control over financial reporting. I noted no matters involving internal control and its operation that I consider to be a reportable condition. Reportable conditions involve matters coming to my attention relating to significant deficiencies in the design or operation of internal

control that, in my judgment, could adversely affect the organization's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements.

My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control over financial reporting and its operations that I consider to be material weaknesses.

This report is intended for the information of the management of Project Uplift, Incorporated and its granting authority. However, this report is a matter of public record and its distribution is not limited.


Bobby Gray

Grumbler, Louisiana
February 14, 2000

SUPPLEMENTAL INFORMATION

Schedule I

PROJECT UPLIFT, INCORPORATED

Shreveport, Louisiana

SCHEDULE OF FUND DESCRIPTION

As of and for the Year Ended September 30, 2002

RESTRICTED FUND

GRANT FUND

The grant revenues received are used to provide educational enrichment and academic skills, promote civic responsibility and pride, and provide academic counseling. Funding for the program is provided through a cooperative endeavor agreement with the Louisiana Department of Education TANF Funds.

SCHEDULE 2

PROJECT UPLIFT, INCORPORATED BUDGET TO ACTUAL COMPARISON TEMPORARY ASSISTANCE FOR NEEDY FAMILIES (TANF) FOR THE YEAR ENDED SEPTEMBER 30, 2002

	Amount Budgeted	Actual Expenditures	Variance Favorable(Unfavor.)
Personnel	\$157,285	\$142,830	\$14,455
Operating expenses	9,080	8,180	900
Equipment	5,175	33	5,142
Educational supplies	8,981	3,712	5,269
Contractual agreements	54,288	25,179	29,109
Student refreshments	26,080	5,816	20,264
Student incentives	5,000	1,205	3,795
Materials and supplies	13,000	4,101	8,899
Postage	500	297	203
Bank service charges	200	314	(114)
Total	\$233,400	\$191,537	\$41,863

CONFIDENTIAL

PROJECT UPLIFT, INCORPORATED
Shreveport, Louisiana

Management Letter
Dated February 3, 2003

Bobby Gray

CERTIFIED PUBLIC ACCOUNTANT

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• Income Tax Services

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CONFIDENTIAL

February 3, 2003

PROJECT UPLIFT, INCORPORATED SHREVEPORT, LOUISIANA

In planning and performing my audit of the financial statements of Project Uplift, Incorporated for the year ended September 30, 2002, I considered its internal control to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on internal control. However, I noted certain matters involving internal control and its operation that I consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to my attention relating to significant deficiencies in the design or operation of internal control that, in my judgment, could adversely affect the organization's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements.

Lack of Disbursement Controls: Proper Authorization

Finding 02-01: In my review of the cash disbursements, I noted that invoices for van services and building rental were not properly authorized for payment. Additionally, 10 of 10 check requests included the typed name of the check requester and included no original signature nor an approval signature.

Recommendation: I recommend that management review and revise its policies and procedures to allow for proper authorization of cash disbursements for all payments. An adequate segregation of duties would ensure that approval by one party and approval by an employee vested with the authority to approve purchases is required in the payment of obligations of the entity.

Lack of Disbursement Controls: Invoice Cancellation

Finding 02-02: In my review of the disbursement process, I noted that in 2 of 10 cases, invoices were not cancelled with a "PAID" stamp. Proper cancellation would ensure that there would be no duplication of payments to vendors and result in questioned costs.

PROJECT UPLIFT, INCORPORATED
Shreveport, Louisiana
Management Letter, Dated February 3, 2003
Page 2

Recommendation: I recommend that each voucher package for the payment of an obligation be reviewed by an independent employee to ensure proper cancellation. On at least a periodic basis, these voucher files should be reviewed by another level of management (perhaps a board designee) to ensure that procedures are being adhered to.

Lack of Policies and Procedures Fiscal Matters

Finding 02-03: In my review of policies and procedures provided by management, I noted that the policies and procedures did not contain policies and procedures that addressed fiscal matters.

Recommendation: I recommend that management and board members prepare and review periodically a set of policies and procedures that would adequately safeguard the assets of the entity and provide assurance to granting authorities that the funding provided would be subject to guidelines designed to utilize them effectively and efficiently.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Our consideration of internal control would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, we noted the following reportable conditions that we believe to be material weaknesses:

Lack of Control Over Payroll: Employee Signatures

Finding 02-04: In the performance of procedures to test the controls over payroll, it was noted that 7 of 10 timesheets did not contain the signatures of the employee and in one case, the interim coordinator's timesheet was signed only by the coordinator. This represents a weakness in control over a major expenditure category.

Recommendation: I recommend that management review and revise its procedures to allow for the original signatures by employees who are receiving compensation for services rendered and that signature and the time reported by independently reviewed and

PROJECT UPLIFT, INCORPORATED

Shreveport, Louisiana

Management Letter, Dated February 3, 2003

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approved by a supervisor at least one level above that of the employee who reported the time. In the case of the Interim Coordinator's timesheet, I recommended that someone review and sign off at the level of the person preparing the payroll or a board member.

The recommendations included in this letter represents, in my judgment, actions that will most likely bring about beneficial improvements to the operations of Project Uplift, Incorporated. The nature of the recommendations, its potential costs and impact should be considered by the management of Project Uplift, Incorporated.

This report is intended solely for the information and use of the audit committee, board of directors, management, regulatory agency or other appropriate party of Project Uplift, Incorporated.

Sincerely,



Bobby Perry
Certified Public Accountant

APPENDIX A

MANAGEMENT'S CORRECTIVE ACTION PLAN AND RESPONSE TO THE FINDINGS AND RECOMMENDATIONS

Project UP Lift, Inc.

115 Lamy Street

Shreveport, Louisiana 71101

(337) 485-7530

February 15, 2003

Bobby Gray
Certified Public Accountant
P.O. Box 1213
Grambling, LA. 71248

RE: Audit Findings for Project Uplift, Incorporated

Dear Mr. Gray:

In response to the findings listed in your recent audit of Project Uplift, Incorporated for the year ended September 30, 2002, the Board of Directors has concurred with each finding and offers the attached corrective action plan to address those findings. The Board has designated three persons to be responsible for the implementation of the plan. Those persons are:

Ms. Delora Luffin, Director
Mr. Robert Silvia, Bookkeeper
Ms. Lola May, Vice President of the Board of Directors

Our expected date of completion is March 31, 2003. We sincerely hope that the attached items will meet with your approval for the resolution of the findings.

Sincerely,



Lola May
Board Vice President

TO: The Auditor for Project Uplift, Incorporated

**FROM: The Board of Directors
For the Project Uplift, Incorporated**

These are the corrected actions taken based upon the reportable corrective findings of the Auditor, as it relates to the financial statements of Project Uplift, Inc. for the Year ending September 30, 2002.

Such corrected actions taken by the Board of Directors are deemed necessary to improve internal control and to be in compliance with standards established by the American Institute of Certified Public Accountants.

Procedural Revision to Finding 01-01: All cash disbursements for obligation of Project Uplift, Inc. should be properly authorized before payment can be made to the obligee. All vouchers for payments shall include the original signature of the check requester and the original signature of the designee having authority over approving purchases.

Procedural Revision to Finding 01-02: A required non-negotiable photocopy of the original paid check is to be attached to the matching voucher and clearly marked paid. On a periodic basis a board designee, to ensure that procedures are being adhered to, will review these voucher files.

Procedural Revision to Finding 02-01: To ensure adequate safeguard of the assets of Project Uplift and to ensure the granting authority that the funding provided is utilized effectively and efficiently, fiscal policies and procedures will be implemented by the Board of Directors of Project Uplift, Incorporated. These policies and procedures will address the management and use of existing assets as well as capital expenditure planning and authorization.

Procedural Revision to Finding 02-05: All payroll time sheet must have the original signature of the employee receiving compensation for services rendered and be reviewed and approved by a supervisor whose level of employment is at least one level above the employee who is reporting the time. The coordinator time sheet should be reviewed and approved by the Director of Project Uplift or his/her designee.